

**City Light Advisory Board Meeting
August 3, 2004, 8:30am – noon
Boards & Commissions Conference Room
MEETING SUMMARY**

Board members present: Don Wise, Jay Lapin, Sara Patton, Gary Swofford By phone: Carol Arnold, Randy Hardy

Also present: Jorge Carrasco (Superintendent City Light), Joan Walters, Carol Everson, Alice Ekman, DaVonna Johnson, Nancy Glaser, Kevin Clark (City Light), Tom VanBronkhorst, Carol Butler (Legislative), Will Patton, Rebecca Earnest (City Attorney's Office) Alec Fiskien, Julie Tobin (Office of Policy & Management)

The group welcomed Gary Swofford, new City Light Advisory Board member.

Superintendent's Update

- Key staff changes. DaVonna Johnson will be replacing Alice Ekman who is retiring. Steve Lush will be working on an interim basis on City Light change initiatives. The Superintendent will bring a Chief Operating Officer (COO) on board before the end of the year. The COO's primary responsibility will be the day-to-day operations of the utility. Board members are welcome to send the Superintendent recruitment suggestions.
- Employee survey. The focus group meetings are starting up. The selection of a strategy team has been initiated to study results and develop actions. The Superintendent will get back to the Board with more information in the late fall.
- Water conditions and financial results (handout). City Light staff will check the data in the "Key Indicators 2004" chart. The Board asked that for the next meeting, City Light zero in and look at the key variables.
- Okeson Lawsuit. Jay Lapin offered facilitation assistance.

BPA Resource Issue (Handout)

Kevin Clark gave an overview of the handout and asked the Board for thoughts and suggestions.

Klamath Decision (Handout)

Nancy Glaser, Corinne Grande and Raquel Bennett gave an overview of the handout. Raquel Bennett will forward to the Board the weighted average. It is City Council's expectation that City Light will always have resources under critical conditions and Carol Butler will bring more detail on that guideline to the Board. The Board suggested that the analysis include recognition of the possibility of entirely different terms from Klamath.

The Board supported City Light's conclusion with some caveats. City Light will be briefing the Council Energy and Environmental Policy (EEP) Committee on the issue on August 11. City Light staff will reflect the Board's comments in their briefing and send a revised decision paper

to the Board. Tom Van Bronkhorst suggested that the Board could bring the issue up at the Board's EEP Committee briefing on August 19.

Financial Policies

Jay Lapin gave a brief update. The financial policies have not yet been approved by the Mayor due to concerns on how best to create a lock box or contingency reserve. A different suggested approach is to have a charter amendment which would require a super majority to use the funds for any other purpose. The most recent draft does not include the charter amendment suggestion. City Light will do a briefing paper to explain the rationale and get council staff involved in reacting to it. The financial policies working sub group is waiting for feedback from the Mayor's Office regarding how the Mayor feels about the 95% and increase of a cash reserve. Alec Fisker will keep Jay Lapin and Don Wise informed on issue so that the Board can move forward with a recommendation.

Governance Best Practices Study

The Board narrowed the candidate utilities down to: Jacksonville Electric Authority (JEA); Austin Energy; Tacoma Power and Colorado Springs Public Utilities with the option of adding Los Angeles Water & Power Department (LAWPD).

It was suggested that the prior to the next meeting, Board members read the LAWPD Rand study and set up a phone call with Walt Brussels and Royce Lyles, former JEA executives to gather more information on those utilities. The Board will then decide on the final candidate utilities. Jay will work with City Light staff, Thomas Dunlap and Carol Butler on the scope outline and process issues and bring a work plan back to the September Board meeting.

Board Presentation to the Council Environmental and Energy Policy (EEP) Committee – August 18

Carol Arnold will be unable to attend. The Board will update the EEP Committee on general activities and where appropriate identify important issues such as the Klamath contract, rates, governance and risk management. The Board should also get feedback from the EEP committee on areas on where they can be of help.

Alec Fisker will follow up with similar meeting with Mayor. There will also be an opportunity for Board to brief the EEP committee later in the year.

Other Follow up items

Sara Patton is still looking for an assessment of resources that City Light has to implement integrated resources planning – Add to the September agenda.

Sara Patton will send out the BPA role hearing comments to Board members. The hearing is August 17, 6-8 pm at the Mountaineers Club.

Carol Butler will provide to the Board Council guidelines on City Light resources under critical conditions.